

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen		
	2006	2005	2004
Domestic operations:			
Loans on notes	¥ 2,834,068	¥ 3,816,186	¥ 5,273,254
Loans on deeds	35,046,384	33,611,639	33,177,784
Overdrafts	8,398,616	8,096,806	8,249,108
Bills discounted	360,019	450,719	572,371
Subtotal	¥46,639,088	¥45,975,351	¥47,272,518
International operations:			
Loans on notes	¥ 506,926	¥ 444,509	¥ 436,046
Loans on deeds	4,606,034	3,536,778	3,007,477
Overdrafts	97,523	105,735	93,462
Bills discounted	7,987	5,211	639
Subtotal	¥ 5,218,471	¥ 4,092,234	¥ 3,537,625
Total	¥51,857,559	¥50,067,586	¥50,810,144

Average Balance

Year ended March 31	Millions of yen		
	2006	2005	2004
Domestic operations:			
Loans on notes	¥ 3,301,745	¥ 4,764,916	¥ 6,007,354
Loans on deeds	34,349,609	33,381,278	35,527,330
Overdrafts	7,984,946	8,237,709	8,392,655
Bills discounted	370,994	475,440	547,893
Subtotal	¥46,007,295	¥46,859,345	¥50,475,233
International operations:			
Loans on notes	¥ 495,793	¥ 447,208	¥ 439,060
Loans on deeds	4,518,077	3,390,644	3,148,040
Overdrafts	122,566	108,728	181,726
Bills discounted	6,952	2,981	889
Subtotal	¥ 5,143,390	¥ 3,949,563	¥ 3,769,716
Total	¥51,150,685	¥50,808,908	¥54,244,949

Note: The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

Balance of Loans and Bills Discounted, Classified by Purpose

March 31	Millions of yen					
	2006		2005		2004	
Funds for capital investment	¥21,007,908	40.5%	¥20,800,237	41.5%	¥21,632,436	42.6%
Funds for working capital	30,849,651	59.5	29,267,348	58.5	29,177,708	57.4
Total	¥51,857,559	100.0%	¥50,067,586	100.0%	¥50,810,144	100.0%

Breakdown of Loan Collateral

March 31	Millions of yen		
	2006	2005	2004
Securities	¥ 1,009,017	¥ 965,238	¥ 1,025,755
Commercial claims	1,147,522	1,191,558	1,311,345
Commercial goods	—	—	2,595
Real estate	6,821,121	7,127,468	7,490,743
Others	408,915	433,650	363,678
Subtotal	9,386,577	9,717,916	10,194,118
Guaranteed	22,108,903	22,332,670	22,103,891
Unsecured	20,362,079	18,016,999	18,512,134
Total	¥51,857,559	¥50,067,586	¥50,810,144

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen		
	2006	2005	2004
One year or less	¥ 8,299,712	¥ 8,686,277	¥10,666,356
Floating interest rates	/	/	/
Fixed interest rates	/	/	/
One — three years	7,820,129	8,106,563	8,223,191
Floating interest rates	6,217,858	6,278,298	5,500,484
Fixed interest rates	1,602,270	1,828,265	2,722,707
Three — five years	7,428,711	6,233,570	5,451,873
Floating interest rates	5,953,483	4,732,079	3,950,114
Fixed interest rates	1,475,227	1,501,490	1,501,759
Five — seven years	3,080,127	2,593,547	2,237,279
Floating interest rates	2,563,603	2,118,091	1,715,055
Fixed interest rates	516,524	475,456	522,223
More than seven years	16,732,739	16,245,085	15,888,872
Floating interest rates	15,681,137	15,496,800	14,822,715
Fixed interest rates	1,051,601	748,285	1,066,156
No designated term	8,496,139	8,202,541	8,342,570
Floating interest rates	8,496,139	8,202,541	8,342,570
Fixed interest rates	—	—	—
Total	¥51,857,559	¥50,067,586	¥50,810,144

Note: Loans with a maturity of one year or less are not classified by floating or fixed interest rates.

Balance of Loan Portfolio, Classified by Industry

March 31	Millions of yen					
	2006		2005		2004	
Domestic offices:						
Manufacturing	¥ 5,172,704	10.9%	¥ 5,321,715	11.4%	¥ 5,794,191	12.1%
Agriculture, forestry, fisheries and mining...	133,756	0.3	125,574	0.3	133,833	0.3
Construction	1,283,199	2.7	1,618,372	3.5	1,717,184	3.6
Transportation, communications and public enterprises	2,658,362	5.6	2,737,386	5.9	3,134,713	6.5
Wholesale and retail	5,170,601	10.9	5,310,881	11.4	5,492,168	11.5
Finance and insurance	5,072,348	10.7	5,158,754	11.0	4,892,526	10.2
Real estate	6,316,865	13.3	5,982,960	12.8	6,995,060	14.6
Services	5,731,622	12.1	5,705,901	12.2	5,470,887	11.4
Municipalities	657,755	1.4	583,515	1.2	688,159	1.4
Others	15,264,035	32.1	14,128,584	30.3	13,632,796	28.4
Subtotal	¥47,461,252	100.0%	¥46,673,647	100.0%	¥47,951,522	100.0%
Overseas offices:						
Public sector	¥ 38,992	0.9%	¥ 75,824	2.2%	¥ 63,654	2.2%
Financial institutions	348,464	7.9	237,276	7.0	227,393	8.0
Commerce and industry	3,815,783	86.8	2,994,018	88.2	2,395,989	83.8
Others	193,066	4.4	86,819	2.6	171,583	6.0
Subtotal	¥ 4,396,307	100.0%	¥ 3,393,938	100.0%	¥ 2,858,622	100.0%
Total	¥51,857,559	—	¥50,067,586	—	¥50,810,144	—

Note: Japan offshore banking accounts are included in overseas offices' accounts.

Loans to Individuals/Small and Medium-Sized Corporations

March 31	Millions of yen		
	2006	2005	2004
Total domestic loans (A)	¥47,461,252	¥46,673,647	¥47,951,522
Loans to individuals, and small and medium-sized corporations (B)	35,496,058	35,291,150	35,427,834
(B) / (A)	74.8%	75.6%	73.9%

Notes: 1. The figures above exclude outstanding balance of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized corporations are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

Consumer Loans Outstanding

March 31	Millions of yen		
	2006	2005	2004
Consumer loans	¥14,725,514	¥14,230,648	¥13,875,878
Housing loans	13,771,812	13,240,449	12,725,041
Residential purpose	10,044,534	9,451,330	8,891,575
Others	953,701	990,198	1,150,837

Note: Housing loans include general-purpose loans used for housing purposes, such as housing loans and apartment house acquisition loans.

Breakdown of Reserve for Possible Loan Losses

Year ended March 31, 2006	Millions of yen				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
			Objectives	Others	
General reserve for possible loan losses	¥422,155 [(4,600)]	¥572,536	¥ —	¥422,155*	¥572,536
Specific reserve for estimated loan losses on certain doubtful loans	567,861 [(225)]	241,546	342,141	225,720*	241,546
For nonresident loans	23,741 [(225)]	18,076	2,761	20,979*	18,076
Reserve for possible losses on specific overseas loans	3,930	2,354	—	3,930*	2,354
Total	¥993,947 [(4,825)]	¥816,437	¥342,141	¥651,806	¥816,437

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

Year ended March 31, 2005	Millions of yen				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
			Objectives	Others	
General reserve for possible loan losses	¥ 770,194 [(1,161)]	¥417,555	¥ —	¥770,194*	¥417,555
Specific reserve for estimated loan losses on certain doubtful loans	474,310 [(350)]	567,636	380,829	93,480*	567,636
For nonresident loans	27,626 [(350)]	23,515	5,707	21,918*	23,515
Reserve for possible losses on specific overseas loans	7,758	3,930	—	7,758*	3,930
Total	¥1,252,262 [(1,511)]	¥989,121	¥380,829	¥871,433	¥989,121

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

Write-off of Loans

Year ended March 31	Millions of yen		
	2006	2005	2004
Write-off of loans	¥12,650	¥697,941	¥566,344

Note: Write-off of loans includes amount of direct reduction.

Specific Overseas Loans

March 31	Millions of yen		
	2006	2005	2004
Indonesia	¥35,509	¥39,959	¥73,826
Argentina	2	25	514
Others	—	180	346
Total	¥35,511	¥40,164	¥74,688
Ratio of the total amounts to total assets	0.03%	0.04%	0.07%
Number of countries	2	5	6

Risk-Monitored Loans

March 31	Millions of yen		
	2006	2005	2004
Bankrupt loans.....	¥ 40,914	¥ 45,931	¥ 67,183
Non-accrual loans.....	551,083	1,238,022	1,460,787
Past due loans (3 months or more).....	23,446	26,902	47,618
Restructured loans.....	298,728	425,006	1,199,301
Total.....	¥914,173	¥1,735,863	¥2,774,889

Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

Problem Assets Based on the Financial Reconstruction Law

March 31	Billions of yen		
	2006	2005	2004
Bankrupt and quasi-bankrupt assets.....	¥ 164.5	¥ 448.3	¥ 361.6
Doubtful assets.....	473.4	924.4	1,202.7
Substandard loans.....	322.2	451.9	1,246.9
Total of problem assets.....	960.1	1,824.6	2,811.2
Normal assets.....	55,984.9	53,452.6	52,874.4
Total.....	¥56,945.0	¥55,277.2	¥55,685.6

Notes: Definition of problem asset categories

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Law (Law No. 132 of 1998) and classified into the 4 categories based on financial position and business performance of obligors in accordance with Article 6 of the Law. Assets in question include loans and bills discounted, foreign exchanges, accrued interest, and advance payment in "other assets," customers' liabilities for acceptance and guarantees, and securities lent under the loan for consumption or leasing agreements.

1. Bankrupt and quasi-bankrupt assets: Credits to borrowers undergoing bankruptcy, corporate reorganization, and rehabilitation proceedings, as well as claims of a similar nature
2. Doubtful assets: Credits for which final collection of principal and interest in line with original agreements is highly improbable due to deterioration of financial position and business performance, but not insolvency of the borrower
3. Substandard loans: Past due loans (3 months or more) and restructured loans, excluding 1. and 2.
4. Normal assets: Credits to borrowers with good business performance and in financial standing without identified problems and not classified into the three categories above